

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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## Thailand

### Rice Price - Weekly

### Weekly Rice Price Update

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**Report Highlights:**

TH1127 Domestic and export prices declined 2-4 percent from the previous week due to lacks of new enquiries from foreign buyers. The Thai Government and private rice exporters are losing their export ability, due to the aggressive Paddy Pledging Program which will be in place this week.

**Post:**  
Bangkok

**Author Defined:**  
Market Tone

**Table 1: Export Prices (FOB) for various grades of Thai rice (USD/MT), Week ending Oct. 3, 2011**

Quality	Exporter Observations							Period Average	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PRV.
F WR 100 B	1,090	-	1,070	-	1,070	1,070	-	1,075	1,078
WR 100 B	610	-	620	-	610	610	600	610	622
PB 100%	600	-	610		600	600	600	602	615
PB 5%	595	-	605	-	595	595	595	597	610
WR 5%	590	-	600	-	590	590	595	593	606
WR 10%	585	-	-	-	585	585	-	585	602
WR 15%	565	-	-	-	580	580	-	575	587
WR 25%	545	-	-	-	550	550	-	548	560
WR 35%	-	-	-	-	-	-	-	-	-
A1 SUP	470	-	-	-	480	485	-	478	487
A1 SPEC	-	-	-	-	-	-	-	-	-

Exchange rate: 30.8 baht/U.S.\$

Source: Average actual prices received from exporters

Domestic and export prices declined 2-4 percent from the previous week due to lack of new enquiries from foreign buyers. The aggressive Paddy Pledging Program will be in place by the end of this week, and it's already causing export problems. The Thai Government has reneged to honor its government-to-government deal with the Indonesian Government, 300,000 tons of 15% grade new-crop white rice for delivery in the last quarter of 2011 at \$550/MT (C&F), as it would stand to lose money as domestic prices have increased by 14.0 percent since the deal was finalized on August 2011. The Thai Government claims that the deal was done inappropriately by the former Government. In addition, the surge in prices will affect the ability of Thai rice exporters to bid competitively on an Indonesian current tender of 70,000 tons of 15% grade white rice as Vietnamese and Indian rice is \$50 – 100/MT cheaper.

The Price Insurance Program since October 1, 2009 will end this week as the Paddy Pledging Program will be in place on October 7, 2011. The intervention prices have been set 50 percent higher than

current market prices for white rice, and 30 percent for fragrant rice. No limit restrictions were imposed on the amount that can be pledged as the budget will cover all MY2011/12 paddy production. Farmers will obtain immediate cash loans after bringing their paddy to designated mills. They can redeem their paddy within four months for the amount of the interest-free loan, or forfeit the rice and keep the cash.

During the first phase of the program (October 7 – mid December 2011), the Government expects to buy 6-7 million tons of paddy.

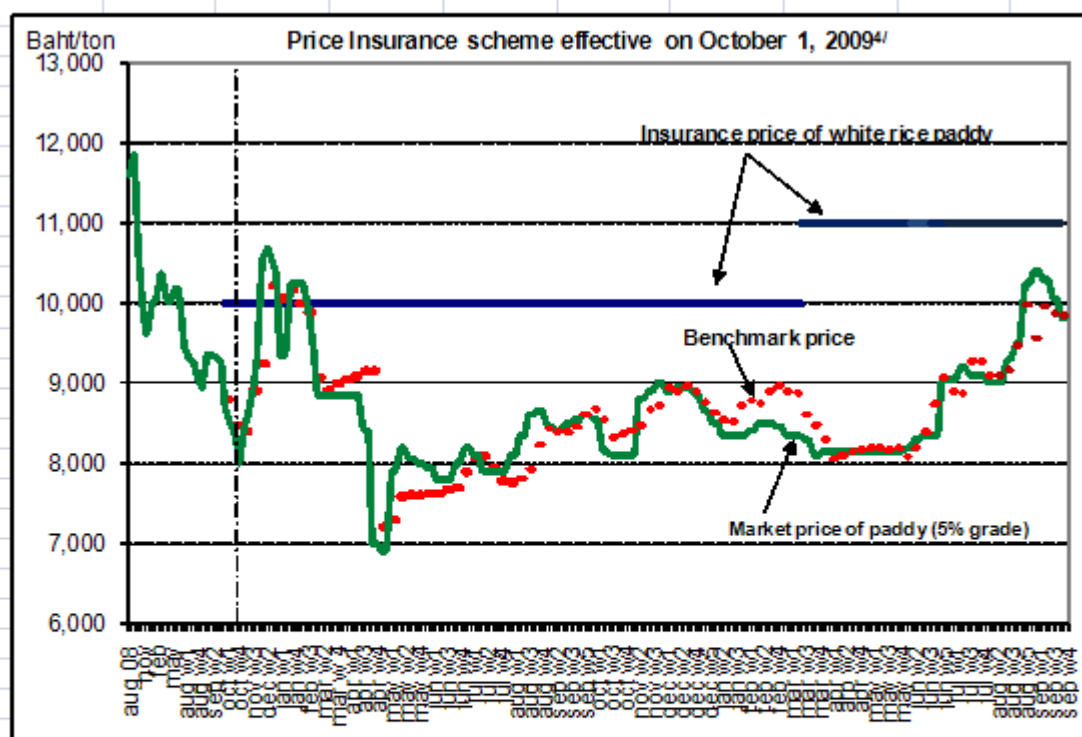
**Table 2: Price Insurance Scheme for MY2009/2010 - MY2010/2011 Rice Crop**

	Rice paddy		Patthum fragrant rice	Glutinous rice	White rice
	Fragrant rice (Hommati)	Provincial fragrant rice			
1. Eligible tonnage (ton/household)	14	16	30 <sup>d</sup>	30 <sup>d</sup>	30 <sup>d</sup>
2. Insured prices (Baht/ton) <sup>d,e</sup>	15,300	14,300	11,500	10,000	11,000
3. Benchmark prices (Baht/ton) <sup>d, f</sup>					
Aug. 29-Sept 4	-	-	11,547	14,918	9,983
Sept 5-11	-	-	11,557	14,633	9,564
Sept 12-18	-	-	11,883	14,530	9,966
Sept 19-25	-	-	12,126	14,703	9,887
Sept 26 - Oct 2 <sup>f</sup>	-	-	12,401	14,715	9,847
4. Compensation (1-2), (Baht/ton)					
Aug. 29-Sept 4	-	-	-	-	1,017
Sept 5-11	-	-	-	-	1,436
Sept 12-18	-	-	-	-	1,034
Sept 19-25	-	-	-	-	1,113
Sept 26 - Oct 2	-	-	-	-	1,153
5. Market prices (Baht/ton)					
Aug. 29-Sept 4	14,450	14,000	11,000	15,250	10,250
Sept 5-11	14,450	14,250	12,000	15,250	10,400
Sept 12-18	14,450	14,500	11,350	15,250	10,300
Sept 19-25	14,500	13,800	10,950	15,750	10,050
Sept 26 - Oct 2	14,500	13,800	11,500	15,250	9,800

Note:

<sup>d</sup> Cabinet approval on March 8, 2010 to raise eligible tonnage to 30 ton/household for MY2010/11 off-season crop<sup>e</sup> Starting March 8, 2010 the benchmark prices will be published on a weekly basis instead of twice a month on the 1st and 16th, based on average wholesale prices of last 15 days in Bangkok. The prices are set by the Subcommittee on Benchmark Price Determination, chaired by the Permanent Secretary General of the Ministry of Commerce.<sup>f</sup> Starting Apr. 26, 2010 the benchmark prices will be based on average wholesale price of last week in Bangkok.<sup>g</sup> The insured prices of MY 2009/10 second-crop Patthum Fragrant rice were revised up from 10,000 baht/ton in MY2009/10 main-crop price insurance scheme, effective Mar. 16, 2010. In addition, the insured prices of MY2010/11 season-crop Patthum Fragrant rice were revised up again to 11,500 baht/ton, effective Mar. 16, 2011. Also, those of white rice were raised from 10,000 baht/ton to 11,000 baht/ton, and glutinous rice from 9,500 baht/ton to 10,000 baht/ton.<sup>h</sup> The benchmark prices of fragrant rice and Provincial fragrant rice are for MY2010/11 main crop.<sup>i</sup> End of the program as the the Paddy Pledging Program will be in place, starting October 7, 2011

**Figure 1: Comparison of market price, insurance price, and benchmark price**



**Note:** 1/ Benchmark prices are average historical wholesales prices which will be used for the calculation of compensation to farmers. The compensation is based on the difference between insurance prices and benchmark prices.

<sup>2</sup> Starting March 8, 2010 the benchmark prices will be published on a weekly basis instead of twice a month on the 1st and 16th, based on average wholesales prices of last 15 days in Bangkok. The prices are set by the Subcommittee on Benchmark Price Determination, chaired by the Permanent Secretary General of the Ministry of Commerce.

<sup>3</sup> Starting Apr. 26, 2010 the benchmark prices will be based on average wholesales price of last week in Bangkok.

<sup>4</sup> The programme ends on October 6, 2011 as the Paddy Hedging Program will be in place, starting October 7, 2011

## Rice Export Update

Unofficial rice exports (excluding fragrant rice) September 26 – October 2, 2011 totaled 161,057 tons, up 16,205 tons from the previous week, and up 15,116 tons from the four week moving average of 145,941 tons. Exports of white rice and parboiled rice during January 1 – October 2, 2011 totaled 7,234,935 tons, up 60.0 percent from 4,521,066 tons in the previous year.

According to the Department of Foreign trade, Ministry of Commerce, total rice exports (including fragrant rice) during January 1 – September 29, 2011 amounted to 9,004,036 tons, up 47.8 percent from 6,092,390 tons in the previous year.

<b>Table 3: Weekly rice exports (excluding fragrant rice)</b>					
<b>WEEK ENDING</b>	<b>QUANTITY</b>	<b>4-WK AVG</b>	<b>YEAR TO DATE</b>	<b>YEAR AGO</b>	<b>YEAR TO DATE AS % OF LAST YEAR</b>
	<b>(MT)</b>	<b>(MT)</b>	<b>(TMT)</b>	<b>(TMT)</b>	<b>(%)</b>
Jul 17	165,055	194,616	5,609	3,184	76.0
Jul 24	176,480	180,024	5,779	3,905	74.9
Jul 31	166,204	175,251	5,945	3,415	74.1
Aug 7	191,189	199,792	6,076	3,501	79.6
Aug 14	129,962	149,909	6,200	3,581	79.1
Aug 21	146,492	141,812	6,346	3,660	79.4
Aug 28	156,711	199,499	6,509	3,799	71.2
Sept 4	148,132	149,675	6,651	3,911	70.1
Sep 11	144,757	149,029	6,796	4,047	67.9
Sep 18	199,097	145,674	6,929	4,209	64.9
Sep 25	144,852	142,710	7,074	4,355	62.4
Oct 2	161,057	145,941	7,295	4,521	60.0
<i>Note on data: Export figures since March 22, 2002, do not include fragrant rice. The authority to report fragrant rice exports was moved from the Thai Board of Trade to the Ministry of Commerce's Office of Commodity Standards, which does not release official fragrant rice export data. FASBEEK will report only official export numbers from the Board of Trade for non-fragrant and from the Office of Commodity Standards for fragrant rice when available, but the reader should bear in mind the difference between the data.</i>					
Source: Board of Trade of Thailand					

<b>Table 4: Weekly private registered rice export sales</b>			
<b>Movement (MT)</b>	<b>Sep 12-16</b>	<b>Sep 19-23</b>	<b>Sep 26-30 (Preliminary)</b>
<b>Weekly sales</b>	<b>178,732</b>	<b>100,051</b>	<b>84,991</b>
<b>4 week sum</b>	<b>773,093</b>	<b>618,132</b>	<b>554,408</b>
<b>4 week mov. avg.</b>	<b>193,273</b>	<b>154,533</b>	<b>138,602</b>
<b>Year-to-date sales</b>	<b>7,849,352</b>	<b>7,949,403</b>	<b>8,034,394</b>

End of report.